# GOVERNMENT OF INDIA
# MICRO, SMALL AND MEDIUM ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:5180
ANSWERED ON:27.04.2010
IMPACT OF MNC ON MSME
Dashmunsi Deepa

**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

(a) whether the Small Scale Industries are facing problems due to the advent of multi national companies in the country under the liberalisation policy;

(b) if so, the details thereof;

(c) whether the Government has received any representations in this regard;

(d) if so, the details thereof for the last three years; and

(e) the action taken/proposed to be taken by the Government in this regard?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (d): The liberalization of economic, industrial and trade policies have resulted in both challenges and opportunities for the micro and small enterprises (MSEs). The Ministry of Micro, Small and Medium Enterprises (MSME) has been receiving representations from time to time from the MSE Associations highlighting issues relating to credit availability, high cost of credit, marketing of their products, delayed payments by the big enterprises, etc.

(e): In the wake of liberalised economic environment, the Government has put in place several measures to help MSEs become globally competitive. These include special focus on technology upgradation, infrastructure assistance through cluster approach, more timely availability of credit, implementation of National Manufacturing Competitiveness Programme, etc., to help MSEs face the emerging challenges of globalization. The Government has also enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and announced a 'Package for Promotion of MSEs' to facilitate the promotion and development of MSEs and enhancing their competitiveness. Further, a Task Force was constituted under the chairmanship of Principal Secretary to the Prime Minister to address the issues concerning the MSME sector. The Task Force has since submitted its report and has made several recommendations in the areas of credit, marketing, infrastructure development, technology upgradation, skill development, etc., for providing an impetus to the growth of the sector.